RAJYA SABHA

Tuesday, the 30th August, 1988/8th Bhadra, 1910 (Saka)

The House met at eleven of the clock, **Mr. Chairman** in the Chair.

ORAL ANSWERS TO QUESTIONS

*401. [*The questioner (Shri Murlidhar Chandrakant Bhandare) was absent. For answer vide col. 34—infra*]

CONVICTIONS FOR FERA VIOLATIONS

*402. SHRI CHIMANBHAI MEHTA : Will the Minister of FINANCE be pleased to state :

(a) how many persons have been convicted resulting in imprisonments during the last three years, year-wise, for FERA violations ;

(b) how many persons involved in FERA violations were acquitted by various courts during the above period ; and

(c) what is the number of cases where Government appealed against acquittals during the above period, year-wise, and what are the results thereof ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) During 1985, 1986 and 1987 convictions resulting in imprisonment in 13, 21 and 21 cases respectively.

(b) During 1985, 1986 and 1987, 3, 14 and 38 cases have resulted in acquittal.

(c) The Government have filed appeals against acquittals in 1 case each in 1985, and 1986 and in 8 cases in 1987. The appeals are pending decision with the Courts.

SHRI CHIMANBHAI MEHTA : Sir, the answer has given the details about convictions and acquittals. But previously I had asked a question. There are thousands of cases going on regarding FERA violations. Sometimes the adjudication proceedings are on and, therefore, prosecution is not launched. But in the case of Mr. Kirloskar prosecutions and adjudications both went together. Now, Sir, it happens that the adjudication authority takes one view and the court might take another view. Therefore, why not launch adjudication and prosecution simultaneously as it was done in the case of Mr. Kirloskar? I am asking this question because in the case of adjudication it is a semi-judicial function done by somebody

MR. CHAIRMAN : What is your question exactly ?

SHRI CHIMANBHAI MEHTA : Therefore, I am saying that when lakhs and lakhs of rupees are put in the Swiss bank—everybody knows about it—this is a small figure of imprisonment and it happens only because you do not launch both the prosecution and adjudication together, both the adjudication and the court proceedings. Some known figures are there in the adjudication and these people run away saying that there employer purchased this particular house and they accept such things. But in a court of law it will be very difficult for them. Therefore, my particular question is this : Why are you not launching both the proceedings simultaneously as you have done in the case of Mr. Kirloskar ?

SHRI EDUARDO FALEIRO : Sir, these prosecutions are launched and the cases are submitted to the courts by the Directorate of Enforcement. The cases at the departmental level are decided by the adjudicating authority. These are matters which are dealt with in a quasi-judicial manner and under a quasi-judicial

procedure. That is what I want to emphasise. What I want to emphasise is that launching of prosecution and launching of adjudication are matters which are done as per the law, as provided for in the FERA and other relevant legislations All that I would like to tell the honourable Member is that if the honourable Member has any information that any law has been violated, that any particularly provision of a law has been violated, he can bring it to our notice. He is saying so many things and he knows many things and that is a different matter.

SHRI CHIMANBHAI MEHTA : Sir, he has not answered my question. Mr. Kirloskar was tried in one way and Mr. Ajitabh Bachchan in another way. I am asking you specifically, "Why don't you try both the cases in the court so that at least we as member of the Congress (I) Party will defend our party and the Government in a legal manner, but not in cases of corruption and FERA violations?" This should be done. .....(*Interruptions*)... Therefore, I would like the Minister to answer this question? Why don't you launch both the things simultaneously ?

MR. CHAIRMAN : Instead of making insinuations, come to the point.

SHRI ATAL BIHARI VAJPAYEE : This is the point..(*Interruptions*)..

SOME HON. MEMBERS : This is the point..(*Interruptions*)..

SHRI SUBRAMANIAN SWAMY : Why this double standard? That is the point... (*Interruptions*)..

SHRI CHIMANBHAI MEHTA : Why one treatment to Mr. Kirloskar and another treatment to another person ? You are asking me to give the information and I have given it. Why do you treat Mr. Ajitabh Bachchan in one way and Mr. Kirloskar in another way ?...(*Interruptions*)...

SHRI EDUARDO FALEIRO : Sir, when the honourable Member says, "You say...", the honourable Member is wrong. He is wrong to this extent that these are proceedings which are quasi judicial proceelings... (*Interruptions*)... and it is the quasi-judicial authority who is the adjudicating authority as per the law and they have dealt with it as per the law to the best of our knowledge. We are confident that they are doing as per law. (*Interruptions*).

SHRI M. S. GURUPADASWAMY : He is taking shelter under law. But my complaint is that the law in this country is being twisted, being abused, by the authorities, to their own convenience, for their own friends. In the case of Ajitabh Bachchan, Sir... (*Interruptions*) there is clear evidence that the Government is protecting him.

MR. CHAIRMAN : Let the questioner ask.

THE MINISTER OF FINANCE (SHRI S. B. CHAVAN) : Ultimately, it is a question of the interpretation of law. Might be, Sir, the hon. Member does not agree with the quasi-judicial authority which has taken the decision in this matter. But that does not mean that the interpretation as made by the hon. Member should be acceptable to everyone concerned, including the quasi-judicial authority.

SHRI M. S. GURUPADASWAMY : Do you say that in this particular case the quasi-judicial authority has not been influenced by you ?

SHRI S. B. CHAVAN : No, Sir. I strongly refute the allegation made by the hon. Member

MR. CHAIRMAN : That is an insinuation; it is not an allegation. Second supplementary.

SHRI CHIMANBHAI MEHTA : You are trying to negotiate with the Swiss Government about getting the accounts opened and booking the persons. This is a poor result—imprisonment and acquittal. Rupees twenty thousand crores have been drained away by them. It is a treacherous act, worse than what a traitor can do. What is the Swiss Government's reply? And what are your efforts? You have been protecting them for the last two years. It has come to the end.

SHRI EDUARDO FALEIRO : Sir, this question does not arise from the main question asked by the hon. Member. However, I would like to say that we are very keen in proceeding with this as well as all other matters, so that the violators of law and those who break our Foreign Exchange Regulations in particular are brought to book and they are punished.

SHRI SANTOSH BAGRODIA : What is the truth of a news report that the Government is considering removal of FERA and MRTP restrictions to facilitate speedy flow of high technology into India ? What is the extent of FERA violations in the 'free trade zones' ?

SHRI EDUARDO FALEIRO : As far as the first portion is concerned, there is no truth in that report. As far as the second part is concerned, I do not have the information with me at this point of time. I can send it to the hon. Member.

SHRI GURUDAS DAS GUPTA : Sir, the Minister has just now stated that he would like the FERA violators to be brought to book indiscriminately. Let me welcome his statement. But let me bring to your notice, Sir, that he has got no one standard for the application of law in case of violation of FERA. I hope the Minister has not forgotten the name of Mr. L. M. Thapar. He is a self-confessed criminal, because he gave the statement before the court that 'yes, I have violated the law'. Thirty-one notices were served on him and the total money he seems to have secreted out of the country to a foreign bank is around Rs. 11 crores. I am in possession of a paper which shows that the Government filed an affidavit in the court stating that his case should be treated leniently because he has confessed his guilt. Therefore, these are specific cases where the Government is asking the court or the authority who is in charge of applying the law to take cognizance of it in a lenient way. So I would like to know from the hon. Minister, in how many cases the Government is taking a lenient view, in how many cases the Government is applying to the court for tackling the problem leniently. Second, why is the Government taking a lenient view in the case of a known and self-confessed FERA violator, that is, Mr. L. M. Thapar ?

SHRI EDUARDO FALEIRO : I reiterate that in no case will the FERA violators be treated leniently. (*Interruptions*) Let me complete, my dear friend.

Sir, I have said 'in no case'. However, apparently I am quite sure that the hon. Member is referring to an instruction which was given by the then Finance Minister, Shri V. P. Singh, to the effect that Shri L. N. Thapar's violation should be dealt with leniently for the purpose of criminal proceedings. (*Interruptions*) So, this was was a decision or an instruction given by the then Finance Minister, Mr. V. P. Singh However, we will take strong notce or what the hon. Member has said and we shall proceed accordingly.

(*Interruptions*)

MR. CHAIRMAN : He will go through the case himself.

SHRI EDUARDO FALEIRO : We shall deal leniently with nobody who violates the law.

SHRI GURUDAS DAS GUPTA : Is it Mr. V. P. Singh's individual decision or the

Government's decision? Is this the Government policy?

SHRI RAOOF VALIULLAH: Sir, according to the information available through press reports, Shri L. M. Thapar has been penalised and fined by the Directorate of Revenue Intelligence recently about 15 days ago. Would the hon. Minister enlighten us about the proceedings of this case and what was the amount of fine?

SHRI EDUARDO FALEIRO : Sir, I do not have the details. If there are press reports, they will be looked into.

SHRI RAOOF VALIULLAH: It is on record. The Directorate of Revenue Intelligence has given a press report and you don't have the information.

SHRI EDUARDO FALEIRO: Sir, I don't have the details of any particular case. However, in this particular case, I can broadly say that a particular individual has been penalised in some cases. The other cases are under adjudication. I don't have the figures of the amount at the moment.

SHRI RAOOF VALIULLAH: I need your protection, Sir. These press reports quote the Directorate of Revenue Intelligence and the Minister says he does not have any information.

SHRI GURUDAS DAS GUPTA: It is the case of Mr. L. M. Thapar and, therefore, he does not know it. It is the Doon school friendship.

MR. CHAIRMAN: No insinuations, please. Let us maintain the dignity of the House. You don't expect the Minister to know who has been fined how much. He is not a computer or God. (*Interruptions*) Would you remember who has been fined how much?

श्रीमती रेणुका चौधरी : सर, आप यह कैसे कहने दे रहे हैं कि यह जो एक्स मिनिस्टर हैं उसने फैसला किया।

SHRI SATYA PRAKASH MALVIYA : Is it a fact that some person has confessed that he has taken a sum of 2 lakh U.S. dollars from Mr. Brener of Switzerland? Has he also confessed that he has been taking money from him? If so, I would like to know whether it is a violation under FERA and whether he has been prosecuted or not.

SHRI EDUARDO FALEIRO: Sir, I do would not have information on a vague matter that he has asked about. In reply to the question, permit me to say that some particular company of Mr. Thapar was subjected to a penalty by the Directorate of Enforcement and a fine of about Rs. 26 lakhs was imposed on them.

(*Interruptions*)

MR. CHAIRMAN: What about Mr. S. P. Malaviya's question?

SHRI EDUARDO FALEIRO: I don't have the information at the moment. I will find out.

MR. CHAIRMAN : He will give you the details.

SHRI ATAL BIHARI VAJPAYEE: Mr. Malaviya should be asked to name the person. We are in the dark.

PROF. C. LAKSHMANNA : There is no point in hiding his name.

SHRI KRISHNA KUMAR BIRLA: The name and place of a business or a company or an individual charged for FERA violations can be publicised only after conviction by courts. Unfortunately, however, the Enforcement Directorate have been releasing the publication of names and the so-called findings at the time of search and arrest which is contrary to law. How does the Government explain that?

SHRI EDUARDO FALEIRO: Sir, why shoulld FERA violators and violators of these laws be protected? I do not know exactly the law. But it is not the intention of this Government to hide and to protect

such people. It is not our intention. And we have it open to harm nobody. .

SHRI KRISHNA KUMAR BIRLA :Sir, the Minister has not understood my question. The law provides that the Government cannot publish the name until the person is convicted by the court, not on mere findings which may be challenged in the court. They are being challenged in the courts. My point is that there is a certain law. You are supposed to observe that law. Why are you...

MR. CHAIRMAN : Is there a provision in law, as I understand, that you cannot publish and nobody should know what is going on ?

SHRI EDUARDO FALEIRO : That is right.

(*Interruptions*)

SHRI DIPEN GHOSH : Mr. Chairman, Sir, some days ago, when we were discussing about some deals between one Japanese company, the Sumitomo Corporation, and the Jyotsna Holdings owned by one Shri Lalit Suri.....

MR. CHAIRMAN : Restrict your question to FERA.

SHRI DIPEN GHOSH : Let me frame the question. It was admitted by the Finance Minister that there has been a case of FERA violation...(*Interruptions*)

MR. CHAIRMAN : Who violated FERA ?

SHRI DIPEN GHOSH : It has been admitted by the Minister of Finance that there has been a case of FERA violation though there was no income-tax violation. So, Sir...(*Interruptions*)..... my question is whether the Government has since started proceedings against Shri Lalit Suri for FERA violation. If so, when ? And what is the stage ? If not, why not ?

SHRI S. B. CHAVAN : Sir, the hon. Member is not correctly quoting what I had stated in the other House. I said that *prima facie* we feel that there seems to be some kind of a violation of FERA, but at the same time whether what is being given in an abbreviated form is the same company or not, it is these matters about which we have to go into details, find out from their London bank to which party the amount belongs. Unless the whole thing is clear, I do not think the hon. Member will be correct in saying that it is Lalit Suri and others about whom you are talking... (*Interruptions*) Sir, the matters are being investigated and unless we come to definite conclusions, it will be difficult to disclose as to what is the fact.

SHRI ATAL BIHARI VAJPAYEE : How long the enquiry will take ?

MR. CHAIRMAN : You had been in Government. You know how long it will take.

SHRI ATAL BIHARI VAJPAYEE : Our Government never functioned in this manner. (*Interruptions*).

MR. CHAIRMAN : Government is Government.

SHRI ATAL BIHARI VAJPAYEE : We had no Suris, no Bachchans.

(*Interruptions*)

MR. CHAIRMAN : Please sit down.

ठाकुर जगतपाल सिंह : हमारी तरह फंक्शन करते तो आज उधर न बैठे होते ।

(व्यवधान)

MR. CHAIRMAN : Mr. Bansal.

SHRI PAWAN KUMAR BANSAL : Mr. Chairman, Sir, I would like to know from the hon. Minister whether a business magnate who is also a press tycoon imported certain machinery by under-invoicing and in violation of the FERA regulations ; and if so, what action has been taken ? (*Interruptions*).

SHRI EDUARDO FALEIRO: Sir, the ion. Member has not given any specific ame ...(*Interruptions*) However, Sir I ould like to say.....(*Interruptions*)...I ould like to point out that we are not llowing anybody to get away. I would ike to say that in the course of this year s well as the previous year, there has een a much greater increase in action gainst FERA violators than in any of the revious years.

MR. CHAIRMAN: You are very vigi-ant about it.

SHRI EDUARDO FALEIRO: Our De-artment is working strongly against them.

MR. CHAIRMAN: Question No. 403.

rrest of Foreign Nationals in J and K

*403. SHRI SATYA PRAKASH IALAVIYA: Will the Minister of OME AFFAIRS be pleased to state :

(a) Whether any foreign nationals were rrested in a village in Jammu and ashmir during the last week of May, 988 as reported in the Indian Post of ie 26th May, 1988 published from ombay;

(b) if so, what are the details thereof; nd

(c) whether these foreigners were iembers of Field Intelligence Unit (FIU) f Pakistan ?

THE MINISTER OF STATE IN HE MINISTRY OF PERSONNEL, UBLIC GRIEVANCES AND PENSIONS ND THE MINISTER OF STATE IN HE MINISTRY OF HOME AFFAIRS SHRI P CHIDAMBARAM) : (a) to :) A statement is laid on the Table of ie House.

Statement

The news item referred to in part (a) the question was published in the Indian Post of Bombay dated 27th May, 1988. According to information received from the Government of Jammu and Kashmir, 24 foreign nationals crossed the international border in Jammu area during the month of May, 1988. Of these, 9 were Pak nationals, 2 Bangladeshis and 13 Iranians. Out of the 24 foreign nationals, 9 Pak nationals and 2 Bangladeshis nationals are facing trial. Four Iranian nationals were convicted and are completing their term of imprisonment on 27-8-1988. Nine Iranian/Afgan nationals, who crossed the border on 26th May, 1988 via Khour in Jammu were arrested by the Border Police and pushed back on the night intervening 26th/27th May, 1988.

2. The interrogation of the arrested foreigners did not reveal their being members of the Field Intelligence Unit of Pakistan.

SHRI SATYA PRAKASH MALAVIYA: Sir, is it a fact that out of the nine Pakistanis and two Bangladeshis arrested, there has been evidence that they are directly connected with the terrorists of Punjab ?

SHRI P. CHIDAMBARAM : Sir, in my statement I have already said that there is no evidence to show that they are members of the Field Intelligence Unit of Pakistan. The trial is going on and it will be very difficult to say now whether there is any connection with any terrorists. At the moment, we have no information that they are connected with the terrorists.

SHRI SATYA PRAKASH MALAVIYA: Out of the arrested persons, one is Irshad Ahmad and my information is that there is direct evidence that he is connected with the Field Intelligence Unit of Pakistan. I would like to know whether this arrested person, Mr. Irshad Ahmad;